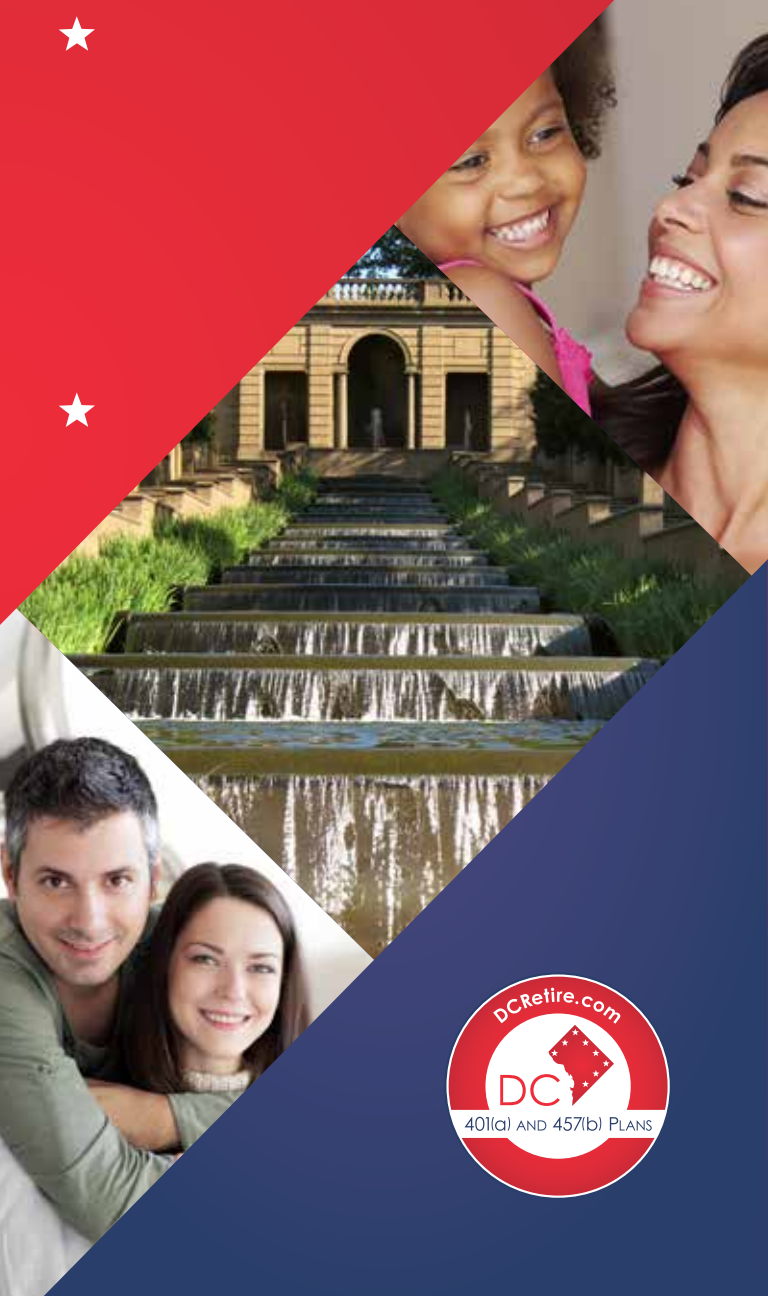




District of Columbia

457(b) Deferred Compensation Plan Summary

DC GOVERNMENT EMPLOYEES



How do I get started?

A 457(b) Plan is a retirement savings plan and investment vehicle with tax advantages.

Contributions are made to your account during your employment. You can generally change, stop, or restart contributions at any time.

- ★ Your account's value is based on those contributions and subsequent investment returns.
- ★ Earnings are not subject to tax until withdrawn.
- ★ You have significant control over:
 - how the money in the account is invested;
 - how funds are withdrawn following your separation from service; and
 - who receives any remaining assets upon your death.

ICMA-RC is the plan's third-party administrator responsible for record keeping, administration, participant communication and investment management.

How do I contribute?

Your voluntary tax-deferred contributions are made to an account in your name for the exclusive benefit of you and your beneficiaries. The value of the account is based on the contributions made and the investment performance over time.

The 457(b) Plan is one piece of your retirement program designed to supplement your retirement savings. While your 401(a) Retirement Plan and/or Social Security may go a long way, they may not be enough. Saving to your 457(b) Plan can help you maintain your desired standard of living.

Who is eligible?

You are eligible to participate if you are a District employee who is:

- ★ in an agency under the personnel authority of the Mayor;
- ★ in a subordinate agency as defined in the Comprehensive Merit Personnel Act of 1978; and
- ★ if approved by the Mayor, an agency not under the personnel authority of the Mayor or an independent agency.

There are no age or length of service requirements needed to participate.



How do I enroll in the plan?

Effective July 7, 2019, newly hired employees who are eligible to participate in the 457(b) Plan are automatically enrolled as participants at a five percent (5%) contribution rate.

To change your contribution rate, visit PeopleSoft at <http://ess.dc.gov> and enter a new amount for your Contribution Deferral Rate.

If you do not wish to participate in the 457(b) Plan, you may opt-out within the first thirty (30) days of employment. To opt-out of automatic enrollment, visit PeopleSoft at <http://ess.dc.gov> and set your Contribution Deferral Rate to zero.

Learn more about the 457(b) Plan or discuss services and options by contacting service@DCRetire.com.

Contact Participant Services with questions Monday through Friday from 8:30 a.m. to 9:00 p.m. ET at 800-669-7400.

Who contributes?

Under the plan, you make contributions to the plan by agreeing to defer a dollar or percentage amount from your salary. Your deferrals can be made on a pre-tax basis, and all earnings are tax deferred until benefits are distributed to you. You also have the opportunity to make after-tax Roth deferrals. The District does not make any contributions to this plan.

- ★ The minimum contribution is 1% or \$20 per biweekly payroll period, or \$43 per monthly payroll period.
- ★ Maximum contribution is set by the IRS and is subject to cost-of-living adjustments every year.

For 2020, you can contribute up to \$19,500, up to \$26,000 if you are age 50 or over, or up to \$39,000 if you qualify for pre-retirement catch-up contributions.

Will I receive a quarterly statement?

A quarterly account statement will be available by the 20th of the month following the end of a quarter and will show your account balance and activity for 457(b) Plan. You have the opportunity to receive your statement electronically (sign up for e-delivery by logging in to Account Access) or by mail. You will receive a consolidated statement if you also participate in the 401(a) Retirement Plan. You can check your account balance online by visiting www.DCRetire.com and logging in to the secure Account Access site.

What are my investment options?

You control how your account is invested. Choose from a number of investment options selected for you by the District.

Your plan includes a wide range of options, from conservative stable (bond funds) to more aggressive funds (stock funds). You may choose to build a diversified portfolio of various funds or select a simple yet diversified age-based retirement fund that is geared toward your projected retirement date. These funds may be a good alternative for investors who do not want to actively manage their account. If you do not select which funds you want to invest in or the percentages do not total 100%, assets will be allocated to the age-appropriate Vanguard Target Retirement Fund selected by your employer until additional instructions are received from you.

BROKERAGE WINDOW

In addition, you have the option of signing up for the VantageBroker program, which provides you with access to even more investment options, including more than 13,000 mutual funds and individual securities. These services are provided by TD Ameritrade, a registered broker-dealer and member of FINRA/SIPC. (*Note: You may participate in this program if you have at least \$10,000 in your 457(b) Plan.*)

To sign up, log in to your account then click Investments, then Brokerage, then Open a Brokerage Account. TD Ameritrade will send you a Welcome Kit that includes your brokerage account number and you will receive a Personal Identification Number (PIN) under separate cover.

Before making any investment decisions, please read the prospectus and/or fund fact sheets carefully.

ICMA-RC and TD Ameritrade are separate, unaffiliated companies and not responsible for each other's services or policies. Brokerage services are provided by TD Ameritrade, Inc. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and the Toronto-Dominion Bank. Used with permission.

How do I set up my investment options?

Establish your future contribution allocation election by visiting www.DCRetire.com and logging in to Account Access. You can move all or a portion of your existing balances between investment options (subject to plan rules) and change how your future contributions are invested. For assistance, you may contact Participant Services at 800-669-7400. Until you do so, your contributions will invest in your plan's age-appropriate Vanguard Target Retire Fund.

The target-date funds from Vanguard® allow you to select an option that will automatically provide a diversified investment strategy based on your projected date for retirement. You select the fund with the target date closest to the year you expect to begin receiving benefits. These funds are rebalanced periodically and shift over time to a more conservative mix so you will not have to rebalance your own account.

Investments in Target Retire Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and begin receiving benefits. An investment in the Target Retire Fund is not guaranteed at any time, including on or after the target date.

What are Roth contributions?

- ★ Contributions you make to your 457(b) Plan on an after-tax basis. Pay taxes on contribution *now*, rather than later. (For 2020, you can contribute a combined Roth and pre-tax amount up to \$19,500, up to \$26,000 if you are age 50 or over, or up to \$39,000 if you qualify for pre-retirement catch-up contributions.)
- ★ May be most appropriate for participants who expect to be in a *higher* tax bracket in retirement. (If your income is higher when you retire, and you wait to pay taxes — you could wind up paying *more* in taxes.)
- ★ Invested five years and age 59½ to avoid penalties.

What are the benefits of making Roth contributions?

- ★ Tax-free withdrawals: Qualified withdrawal of Roth assets are not subject to taxes.
- ★ Tax planning: Having pre-tax and Roth options allows you to choose the option that best fits your lifestyle. The Roth Analyzer can help you figure out which is best: www.icmarc.org/rothanalyzer.
- ★ Compared to Roth IRAs: 457(b) participants have higher contribution limits; all income levels are eligible.



When can I withdraw from my account?

EARLIEST DISTRIBUTION DATE

Distributions are allowed only upon the following “triggering events”:

- ★ Severance from employment;
- ★ Death;
- ★ Attainment of age 70½; or
- ★ An unforeseeable emergency.

UNFORESEEABLE EMERGENCY

An unforeseeable emergency is defined by IRS guidelines and the District of Columbia 457(b) Deferred Compensation Plan document as a severe financial hardship to the participant resulting from:

- ★ An illness or accident concerning you, your spouse, your dependents (as defined by the IRS), or your primary designated beneficiary under the plan;
- ★ The loss of your property due to casualty; or
- ★ Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control.

DISTRIBUTION OPTIONS

When you are eligible to receive a distribution, you (or your beneficiary) may choose from various payment options which include:

- ★ Lump sum payment
- ★ Installment payments
- ★ Annuity payments
- ★ Direct rollover to another employer-sponsored, eligible retirement plan or traditional IRA

You may also choose to leave your benefits in the plan for payment at a later date.

Will I be required to pay taxes?

All payment options, except for the rollover, are treated as ordinary income in the year the money is received and are therefore subject to federal and state income taxes at the time of withdrawal. For all payments (except rollovers), ICMA-RC will withhold 20% for federal tax purposes at the time of payment. However, if you have previously rolled over amounts from a plan other than a governmental 457 plan, such rollover amounts will be subject to an IRS 10% penalty tax if distributed prior to attaining age 59½, unless an IRS exception applies.

How do I file a claim?

All distributions from the plan can be requested via form or online. All forms are contained in the Distribution Package available online at www.DCRetire.com, by calling Participant Services at 800-669-7400, or at your local service centers:

ICMA-RC

777 N. Capitol Street, NE, 8th Floor
Washington, DC 20002
202-759-7190

D.C. Department of Human Resources

1015 Half Street, SE, 9th Floor
Washington, DC 20003
202-442-9749 | 202-442-9640

Distribution choices and rules are complicated. You are encouraged to talk with your tax advisor or financial planner before deciding how to take your distribution.

How are my survivor benefits paid out?

You designate a beneficiary, or beneficiaries, to receive any remaining assets upon your death. Designating beneficiaries can help ensure your assets are paid according to your wishes. It also avoids the potential costs and delays of probate, and allows non-spouse beneficiaries to receive additional tax benefits.

How do I designate my beneficiaries?

You can update beneficiary information online in a few simple steps:

- ★ Go to www.DCRetire.com
- ★ Log in to Account Access by entering your user ID and password
- ★ Select your 457(b) Plan
- ★ Click the *Beneficiaries* link
- ★ Click the *Update Beneficiaries* button and enter your beneficiary information

Resource Section

We are committed to providing you with quality retirement plan administration services to help you achieve your retirement goals. Listed below are some of the services and resources available to you:



District of Columbia Website

www.DCRetire.com — Manage your account, review investments, and access our educational resources after you create your user ID and password.



Mobile Application

Download ICMA-RC's mobile app from the App Store® and Google Play™ to keep track of your ICMA-RC retirement account whenever and wherever it is convenient for you.



Local Service Center

ICMA-RC representatives are available to meet with you about plan features and savings goals.

ICMA-RC

777 N. Capitol Street, NE, 8th Floor
Washington, DC 20002
202-759-7190

D.C. Department of Human Resources

1015 Half Street, SE, 9th Floor
Washington, DC 20003
202-442-9749 | 202-442-9640

Contact ICMA-RC's local service team at service@DCRetire.com to schedule an appointment.



Participant Services Phone Line

800-669-7400 — Establish your Personal Identification Number through our automated voice response system, where you can access your account balance and order educational materials or forms.